

ABSTRACT

A computerized system and method to manage and monitor leverage relating to financial transactions whereby counterparty credit risks are enhanced and capital and credit efficiency is promoted by taking a perfected security interest in the counterparty. An aggregate net exposure relating to financial positions held by an identified counterparty is calculated, wherein positions can be held in multiple market segments. A value is determined for collateral dedicated to offset the net exposure. Leverage relating to the ratio of the collateral value and the exposure can be managed to offset the exposure. Monitoring of leverage can be accomplished in real time, or on a predetermined schedule. Exposure can be quantified as a monetary value in a local currency and/or quantified according to market data. In addition the present invention can be used to offset risk associated with online transactions, such as a sale of goods, wherein a currency amount committed to the online transaction is included in a net exposure aggregation. Collateral can be dedicated to offset the net exposure.

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